

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FEDERAL RELATIONS, ENERGY, AND TELECOMMUNICATIONS

Call to Order: By **CHAIRMAN ROD BITNEY**, on March 10, 2003 at 3:00 P.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Rod Bitney, Chairman (R)
Rep. Alan Olson, Vice Chairman (R)
Rep. Dee Brown (R)
Rep. Eileen J. Carney (D)
Rep. Tim Dowell (D)
Rep. Daniel Fuchs (R)
Rep. Hal Jacobson (D)
Rep. Jeff Laszloffy (R)
Rep. Scott Mendenhall (R)
Rep. John Parker (D)
Rep. Diane Rice (R)
Rep. Brennan Ryan (D)
Rep. Jim Shockley (R)

Members Excused: Rep. Gary Matthews, Vice Chairman (D)

Members Absent: None.

Staff Present: Glenna McClure, Committee Secretary
Mary Vandenbosch, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 70, 3/6/2003; SB 77, 3/6/2003;
SB 88, 3/6/2003; SJ24, 3/6/2003
Executive Action: SB 70; SB 88; SJ 24

HEARING ON SB 88

Sponsor: SENATOR KEITH BALES, SD 1

Opening Statement by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 1.6 - 4.2}

SEN. BALES said that this bill changes where a law is codified. Section 85-2-521 was codified under the Department of Natural Resources (DNRC), Water Rights Division. Since it deals primarily with Coal Bed Methane development, it would be better to be codified under the Board of Oil and Gas section of the law, Title 82. He distributed a copy of information regarding the bill and the law.

EXHIBIT(feh50a01)

Proponents' Testimony:

{Tape: 1; Side: A; Approx. Time Counter: 4.2 - 6.4}

Jack Stultz, Administrator, Water Resources Division, Department of Natural Resources, said that DNRC requested this bill. He said that anybody that is developing Coal Bed Methane (CBM) will know exactly what they are expected to do by looking at one section of the law.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Counter: 6.4 - 8}

REP. SHOCKLEY asked Mr. Stultz if the agency who is responsible for regulating the development of CBM will change under this bill.

Mr. Stultz said that it does not change the responsibility but, rather, makes the law less ambiguous.

Closing by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 8 - 8.5}

SEN. BALES thanked the committee and asked for a do concur. He indicated that REP. OLSON would carry the bill in the House.

HEARING ON SB 70

Sponsor: SENATOR WALTER L. MCNUTT, SD 50

Opening Statement by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 8.5 - 9.9}

SEN. MCNUTT said that this bill is at the request of the subcommittee that worked on the Universal Systems Benefit (USB). This bill simply says that the USB monies will be spent in the area in which they are generated.

Proponents' Testimony:

{Tape: 1; Side: A; Approx. Time Counter: 9.9 - 14.2}

John Alke, Attorney, Montana-Dakota Utilities (MDU), said that they support SB 70. The law reads that the amount of USB charges recovered and not spend are remitted to the State. No other state, where MDU operates, has the USB requirement. He said that the state basically does what the bill proposes, but this makes it mandatory. They support the bill.

Tom Schneider, Public Service Commission (PSC), said that the Commission supports this bill as it is fundamentally fair.

Patrick Judge, Montana Environmental Information Center, said that this bill is a simple, straightforward issue and they support it.

Jim Nolan, Department of Public Health and Human Services, said that the programs that he represents have been the recipients of monies from MDU and the Town of Troy. One program that has benefitted from the USB Program is the Federal Low Income Energy Assistance Program (LIEAP). Monies collected through USB have been spent in the areas in which they were collected. They support this bill.

Mike Pichette, Northwestern Energy, said that NWE supports this bill. He distributed a statement of NWE on USB Programs.

EXHIBIT (feh50a02)

Matt Leow, Montana Public Interest Research Group (MontPIRG),
said that they are in support of SB 70.

Don Judge, representing the Montana Chapter of the Sierra Club,
said that they rise in support of SB 70 as well.

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 14.2 - 15}

SEN. MCNUTT said that REP. OLSON will carry SB 70 in the House.

HEARING ON SJ 24

Sponsor: SEN. JERRY O'NEIL, SD 42

Opening Statement by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 15 - 17.6}

SEN. O'NEIL said that this bill is to urge the Federal Government to give welfare benefits directly to the tribes rather than going through the State. He said that everyone likes this bill and urged the committee to pass it.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 17.6 - 18.9}

SEN. O'NEIL said that REP. JUNEAU will carry this bill in the House.

HEARING ON SB 77

Sponsor: SENATOR ROYAL JOHNSON, SD 5

Opening Statement by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 18.9 - 25.5}

SEN. JOHNSON said that this is a repeat of a bill that he carried last session. Line 22, Page 1 extends the Universal Systems Benefits (USB) to December 31, 2005. This will extend these benefits for two and a half years. The USB is set up to help people and to save electricity. In HB 509, there is also an extension. However, SB 77 insures that the USB is extended in the event that something happens to HB 509. We do not want to lose this program.

Proponents' Testimony:

{Tape: 1; Side: A; Approx. Time Counter: 25.5 - Tape: 1; Side: B; 2.7}

Tom Schneider, Public Service Commission, said that they support SB 70.

Doug Hardy, on behalf of the Montana Electric Cooperatives, provided written testimony in support of SB 77.

EXHIBIT (feh50a03)

Debbie Smith, Northern Resources Development Council/Renewable Northwest Project, said that they are strong supporters of SB 77.

Mike Pichette, Northwestern Energy, provided a statement of Northwestern Energy.

EXHIBIT (feh50a04)

Don Judge, on behalf of the Montana Chapter of the Sierra Club, said that they stand in support of SB 77.

Gene Lewwer, Montana Human Resources District Council, said that they support this extension.

Matt Leow, Montana Public Interest Research Group, said that they stand in support of SB 77.

Betty Whiting, Montana Association of Churches, are in support of this bill on behalf of low-income people who are recipients of these funds.

Patrick Judge, Montana Environmental Information Center, said they stand in strong support of this bill.

Mark Lindberg, Governor's Office, said that the Governor stands in support of SB 77.

Rachel Haberman, Energy Share of Montana, said that they are in favor in SB 77.

Jim Nolan, Department of Public Health and Human Services, said that they are in support of this bill.

John Bushnell, Governor's Office, was not present but sent written testimony.

EXHIBIT (feh50a05)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

{Tape: 1; Side: B; Approx. Time Counter: 0.9 - 2.7}

SEN. JOHNSON thanked the committee and said that **REP. BROWN** will carry the bill in the House.

EXECUTIVE ACTION ON SB 88

{Tape: 1; Side: B; Approx. Time Counter: 2.7 - 3.1}

Motion/Vote: **REP. OLSON** moved that **SB 88 BE CONCURRED IN**. Motion carried unanimously 13-0 by voice vote.

REP. SHOCKLEY moved that **SB 88** be placed on the consent calendar without objection.

EXECUTIVE ACTION ON SB 70

{Tape: 1; Side: B; Approx. Time Counter: 3.1 - 4.4}

Motion/Vote: REP. OLSON moved that SB 70 BE CONCURRED IN. Motion carried unanimously 13-0 by voice vote.

Discussion:

REP. LASZLOFFY asked how areas are determined.

REP. OLSON said that they are determined by where the utility service is provided.

REP. OLSON moved that SB 70 be placed on the consent calendar without objection.

EXECUTIVE ACTION ON SJ 24

{Tape: 1; Side: B; Approx. Time Counter: 4.4 - 6}

Motion/Vote: REP. OLSON moved that SJ 24 BE CONCURRED IN. Motion carried unanimously 13-0 by voice vote.

REP. OLSON moved that SJ 24 be placed on the consent calendar without objection.

HOUSE COMMITTEE ON FEDERAL RELATIONS, ENERGY, AND
TELECOMMUNICATIONS

March 10, 2003

PAGE 8 of 8

ADJOURNMENT

Adjournment: 3:45 P.M.

REP. ROD BITNEY, Chairman

GLENNA MCCLURE, Secretary

RB/GM

EXHIBIT (feh50aad)